

OUTGOING TELEGRAM

Department of State

INDICATE: ☐ COLLECT
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Classification

ACTION: AMEMBASSY LONDON PRIORITY

INFO: Amembassy BONN PRIORITY

NATUS

PARIS PRIORITY

REF: STATE 144123

SUBJ: Trilateral Talks

1. Under Secretary Rostow March 1 outlined to British Ambassador position Mr. McCloy will take at March 3 London meeting of principals in trilateral talks. He said we believed solidity and stability of Atlantic Alliance dependent on these talks. We were acutely conscious of political and financial pressures on British Government which were dramatized in recent defense debate. At same time, we attached great importance to continued strong British military presence in Germany.

2. If problem was to be dealt with successfully, a reorientation of thinking in Trilateral Talks necessary and desirable. What we were proposing would not come as surprise to the UK as we had given Thomson a good idea of our thinking when he was here.

Dated by: M-TOEnders
EUR/EMI:TMJudd:ek
Clearance: EUR GSpringle:teen

Tel. Ext. 4231

Classification approved by: E.V. Rostow

DATE 4/1/85

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DEPARTMENT OF STATE A/CDC/LR

REASON FOR DATE
AS Mr. Rostow
REASON(S)
EXEMPTED FROM MARKING ☐
DECLASSIFIED RELEASABLE
EXEMPTED FROM MARKING ☒ in part
EXEMPTIONS 552 (b)(1)

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3. Our basic approach to trilateral talks involve three inter-related factors:

- a. Force levels should be determined through agreement among the Allies on the basis only of security considerations, broadly construed;
- b. Germany should decide what levels of procurement in the U.S. and Britain it wishes to undertake in order to bring its military forces up to appropriate strength levels;
- c. Simultaneously, the Allies should deal with the remaining balance of payments consequences of allied troops stationed in Germany by cooperation in the management of monetary reserves, or by other agreed means.

4. This approach -- as regards our own relationship with Germany -- supersedes the rigid military procurement offset idea, which has become a serious political liability in the Federal Republic.

5. The central idea of this approach is to achieve a firm basis in allied agreement both with respect to troop levels and on monetary cooperation. On that footing, we can hope to prevent our own Congressional opinion -- especially in the Senate -- from getting out of hand.

6. Rostow said that NATO must not rpt not go to trip wire position where every incident involves testing credibility of nuclear

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10. There is a final point in our approach which -- although not directly relevant to troop costs in Germany -- is of great importance to the continuing ability of the Allies to carry the burdens of defense and aid. That is monetary reform. We will be seeking -- and hope the British seek with us -- German support for a prompt decision to put into place on a contingency basis, machinery for creating the new liquidity the growth of the world economy requires.

11. Agreements reached in Trilateral group on troop levels should be carried into NATO and confirmed there in full consultation with ~~the~~ other Allies.

12. Mr. Rostow said McCloy hoped to see Prime Minister and possibly other high officials while in London. Mr. McCloy would be going on to Germany to talk with Chancellor after London meeting.

For BONN: Undersecretary Rostow will communicate above points to Ambassador Knappstein March 2.

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